

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:

02-09

2. STATE

NC

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE

July 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.201

7. FEDERAL BUDGET IMPACT:

a. FFY **02** (\$ **5,628,285**)

b. FFY **03** (\$**22,417,901**)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Section 13, Page 1

SUPPL 1 to Attachment 4.19-B, Page 1
Pen + Ink Change Per e-mail

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B, Section 13, Page 1

none

10. SUBJECT OF AMENDMENT:

Other diagnostic screening preventive and rehabilitative services

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Not Required

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Carmen Hooker Odom

14. TITLE:

Secretary

15. DATE SUBMITTED:

07/17/02

16. RETURN TO:

**Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, North Carolina 27699-2001**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

July 22, 2002

18. DATE APPROVED:

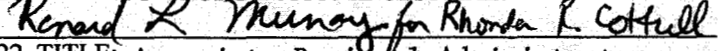
March 11, 2003

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

Rhonda R. Cottrell

22. TITLE: Associate Regional Administrator

Division of Medicaid & Children's Health

23. REMARKS:

Approved with the following addition to Items 8 and 9:

Item 8: Add "Suppl 1 to Attachment 4.19-B, Page 1"

Item 9: Add "None"

MEDICAL ASSISTANCE

State: North Carolina

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

13. OTHER DIAGNOSTIC SCREENING PREVENTIVE AND REHABILITATIVE SERVICES

Payments for other diagnostic screening, preventive and rehabilitative services provided by qualified providers are based on rates established by the Division of Medical Assistance for each type of covered service. Beginning with the 12 month period starting July 1, 2002, and for subsequent 12 month periods, the interim rates for public providers are based on the statewide average unit cost of each type of service as determined by the Division of Medical Assistance from review of Cost Reports. Notwithstanding any other provision, if specified these rates will be adjusted as shown on Supplement 1 to the 4.19-B section of the state plan.

The interim rates for public providers are settled annually to equal the statewide weighted average unit cost as determined by the Division of Medical Assistance's review of the public provider's cost. Reasonable costs are determined by the Division of Medical Assistance based upon the standards set in OMB Circular A-87 and the HCFA-15 Provider Reimbursement Manual.

The Division will establish prospective rates with private providers of services based upon a Division determination of reasonable cost. Private providers shall be required to file annual cost reports. These rates will be adjusted annually for inflation. The inflation has a labor component with a relative weight of 75 percent and a non-labor component with a relative weight of 25 percent. The relative weights are derived from the Medicare Home Health Agency input Price Index published in the Federal Register dated May 30, 1986. Labor cost changes are measured by the annual percentage change in the average hourly earnings of North Carolina service wages per worker. Non-labor cost changes are measured by the annual percentage change in the GNP Implicit Price deflator. The annual inflation equals the sum of the products of multiplying the forecasted labor cost percentage change by 75 percent and multiplying the forecasted non-labor cost percentage change by 25 percent. Reasonable costs are determined by the Division of Medical Assistance

TN No. 02-09

Supersedes

TN No. 00-24

Approval Date 03/11/03

Eff. Date 07/01/02

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

Payment for Personal Care, Home Health, Private Duty Nursing, and Rehabilitation Services:

FY 2003 – 5% reduction to Private Duty Nursing; No adjustment for other services.

Reference: Supplement to Attachment 4.19-B amendments 02-09, 02-10, 02-11 and 02-12

TN. No. 02-09

Approval Date 03/11/03

Eff. Date 07/01/02

Supersedes

TN. No. ~~00-24~~ New